

G R S App F IX 4]

Previous References

1942-

(72)

File No 113-4

Serial Nos 11, 37

Later References

GENERAL AND REVENUE SECRETARIAT

Serial Nos

12

Part B for set 42

SUBJECT

Levy of House Tax -
Anakkal Town in City

To,
The D c Bangalore
L 4208 dt 20/10/42
Rejects the proposal

2/11/42

Serial
No

Page 7

-- Letter no 116-2213/11-42 dated 11-7-42
-- from the Deputy Com. Messenger, Bangalore
-- has requesting, in the circumstances
-- stated, sanction to the proposal of
-- the Ankhal Town M.L. Bd. to substitute
-- the levy of octroi duty at the place by
-- a new tax called Trade Tax and to
-- the levy laws framed for the purpose

The reasons for the above
proposal of the Ankhal Town M.L. Bd. are
indicated in the P.O.D.

-- The levy of Trade Tax does
-- not appear to be in force in any other
-- Municipality. Maximum rates for this
-- tax have not been fixed in any
-- of Schedules appended to the Town
-- Municipalities Act, as in the case of
-- the other taxes

-- 3 The average income by the levy
of "Trade Tax" is estimated to be at
Rs 1103 as against Rs 1300 under octroi
at present. The M.L. Bd. expect that
under this scheme the trade at the
place will improve.

Under Section 11(XI) of the T.M. Act -
tax on trades may be levied by M.L. Bd.

Survey of Trade Tax in the Amerkal Town Municipality

297-
f

41 File No 113

22

of 1942

General and Revenue
Secretariat

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The D. C. Bangalore has - has stated -
that - through the Revenue Department -
by the Amerkal Town M.H.D. - as a result -
it - may be tried for one year in
the first instance -

to the views of the Director of
industries and Commerce - may
perhaps be obtained - as to the effect
of the scheme on business and the
frances of the Municipality -
Submitted for orders

7) Pl. finding the purpose
Mrs. J. R. M. J. 1942
The measure is desirable

10) The request of June 7, 1942 is directed
Memorandum [H.L. 121-42-8]
has 2/9/42

11 Pl. finding the budget of the
Municipality for 1942-43 as found
for 3/9/42

The file containing the Budget estimates
of the Amerkal Town Municipality for the year 1942-43
as directed hereto

13) Please have the report regarding
action in the Budget for 1941-42 - types
on the subject of finding
16/1/42

18) The file is under review
The Municipal Committee
(D No 352)
has 7/8

19) Pl. account as
action taken in
up in town as
has 7/10/42

387/1
11936
8271 (no m)
has 7/10/42

20) Pl. 2/3
(only under
has 7/10/42

Levy of Trade Tax in the Ankal Townships

General and Revenue
Secretariat

ML File No 113

29/2
of 1942

[App F III-2]

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No

Flag A

14) T/S please type the extract indicated on page flagged N (Vide Asst Secy's instructions in para 13 Supra)

16/9/42
TS

15 An extract from the Inspection notes is put up as directed

17/9/42
GS

16 The proposal of the Ankal San M L C is to substitute the "octroi" by the levy of a new kind of tax termed as the "Trade Tax". This tax is not ^{among these taxes} mentioned in Sec 61 of the Mysore San M L Act 1933 and is a novel one. From the nature of the tax & the rules framed for its levy & collection, it appears to be more or less a kind of shop tax which is already in force in this City.

17 The arguments in favour of the abolition of the octroi are that as the levy ^{in the town} has affected trade & has diverted the trade to other places, that the revenue from this source is ~~very~~ ^{growing} down every year, that the merchants are willing to pay the "Trade Tax" in advance and that the realizations from the new tax would be equal in amount to that

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realized by the levy of octroi
The arguments adduced are hardly tenable
as the D.C. himself suggests that the
M.C. has not levied octroi on
Common articles like the betel leaves, sugar
& jaggery and that it is natural that the
income should be less than in the villages
Kind refce is invited to the statement
given in the inspection notes of the M.C. further
according to which there is not any marked
determination in the source of income during
the last six years and that the reduction
is perhaps to be attributed to the the
Cause referred to in the same notes smuggling
has to be effectively checked & the current receipts
have to be properly accounted for & accounted to
the Treasury daily so as to prevent ^{possible} misappropriations
Having regard to the above facts, there is
no justification to abolish the levy of octroi
& substitute a new tax called the Trade Tax
which is not contemplated either under the
Townships Act or is found to be in vogue anywhere
in the State. It is suggested, on the other
hand, that the M.C. should take action to
set right the irregularities pointed out by the D.C.
in this respect in the inspection notes and
to arrange to levy octroi on betel leaves
jaggery and sugar as is done in the

1776842
 Levy of Trade Tax - Anchal Town

General and Revenue
 Secretariat

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of 1942

[App F III-2]



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From Nth in the Anglon Dist
 under

Law No 17/9/42

18 The Legality of imposing
 the tax may be called
 upon to be decided

18-9-42

ATT Sec. Law No 18/9/42

3
 1879

Law No 66/42
 of 1-9-42

19 - Under Sec 61(21) of the T & A
 Act, the Council may impose the Tax on
 Trades, provided the person or persons paying
 the Shop Tax shall not be called upon to pay
 the Trade Tax, in respect of the Trade carried
 on in the Shop

20 Thus, it is perfectly legal
 for the T & A Act to levy the Tax ~~then~~ by
 following the procedure laid down in Ch VII
 of the said Act

21 The T & A Act can frame rules
 under Sec 46 (b), for the abolition of the
 octroi & for the levy in its stead, the Trade
 Tax, which is a tax on the trade carried on in the
 shop, and not a tax on the trade carried on in the
 street.

b) Levy of Trade Tax ~~to~~ Anchal Town

File No. 113 297 ² of 194 2 General and Revenue Secrariat

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They can also frame rules under that Section for exemption & refund also subject to the said law

✓ They can also frame Byo-laws in respect of this law under sec 48(1) (a) & (k) & (l) & (m) & (n) & (o) & (p) & (q) & (r) & (s) & (t) & (u) & (v) & (w) & (x) & (y) & (z)

→ The rules & Byo-laws framed in this respect (Key 7) do not seem to be in accordance with law - they have to be rectified

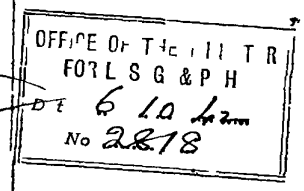
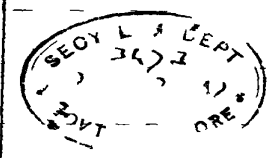
Larkentary 3 27/9/4

all post Secy & S & G will please bring up the matter for submission for 28/9/4

✓ The case does not seem to come under § 61(b) (1) of the Act - It is a departure from the usual method May not be appropriate

1/10/42 - S G

6-10/42
6-10/42
16/10/42
15/7/42
15/10/42



Levy of Trade Tax - Anakkal Municipality

General and Revenue
Secretariat

H/ File No 2972

of 1912

Part F III-2

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Submitted with a draft letter to the
D C Bangalore with

for 18/1/1912

To

The D C Bangalore with

No 4208 d 20-10-12

B
5-29/1912

Respects the proposal of the Anakkal
Town Municipal Council

NOTE—Contn Sheet

GOVERNMENT OF MYSORE

T 1 8 m
ph

113-42-11

OFFICE OF
The Deputy Commissioner BPR

No. 6-2213/41 42
Encls One file

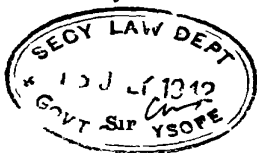
Bangalore District

Bangalore
Date 11th July 1942

11/7/42

C Nareyanaswami 'sudu

Secretary to the Government of Mysore
Law Department
BANGALORE



Subject:- Abolition of the levy of octroi at Anekal Town
municipality - forwards records relating to the -

I have the honour to state that the Municipal Council of Anekal have been repeatedly urging that the levy of octroi has affected the trade of the Town and that the weavers who form the major population of the Town have been forced to give up their profession altogether on this score. As this Town is situated very near the Salem District of Madras Presidency the trade is said to have been diverted to places outside the Municipal limits in order to avoid payment of octroi. The Chendapur shandy managed by the District Board is said to be attracting a good deal of business of Anekal on account of non levy of octroi at the former place (Chendapur).

2 The Municipal Council have suggested that the best way to improve the trade of the Town and finances of the Municipality is the abolition of octroi and substitution of a new tax called Trade Tax to be levied in advance every year. The proposals of the Sub Committee formulating the details of the new tax are herewith enclosed. The Municipal Council resolved at their meeting held on 13-11-1941 that sanction of Government be obtained to the introduction of the new tax in lieu of octroi. Notice calling for objections was published in the Gazette dated 31-3-1942. The objections received from some petty shop-keepers of Anekal were over ruled by the Municipal Council as being untenable and it was finally resolved at their meeting held on 16-6-1942 that sanction of Government might be obtained to their original proposals. This point is also included in the Tour petition presented to the Dewan during his recent visit to the Town.

The octroi income of the Municipality for the 5 years previous years is noted in the margin. Octroi is not being levied on some common items such as

1936-37	1 367	6	3	batei leaves sugar jabbory etc in this town
1937-38	1 262	1	3	
1938-39	1 301	06	3	The argument of the Municipality is that though
1939-40	1,343	10	3	
1940-41	1 443	5	9	by the abolition of octroi there will be a
1941-42	1 406	7	9*	

*(up to 29-6 1942) deficit of about Rs 1 300/- per year this loss could be easily made up by the newly introduced Trade Tax The Majority of the people paying octroi are merchants The Municipality thinks that as these merchants are ready and willing to pay a fixed amount in advance every year in the shape of trade tax there would be no loss to the Municipality The average realisations from the Trade Tax is estimated at Rs 1 103/- per year This is expected to increase as trade improves on account of the increase in the number of shops both in the Town and Shandy

4 Another important fact urged in favour of the new proposals is that owing to the existence of the octroi many carts (laden with commodities) would not enter the Municipal limits and that abolition of octroi would improve trade and consequently stimulate toll revenue of the Municipality The income under tolls for the last 3 years is noted in the margin The

1939-40	1 123	0	0	introduction of the Trade Tax it is stated
1940-41	2 133	9	0	
1941-42	2 454	3	0	would not only prevent loss caused by the

abolition of octroi but would also indirectly enhance the toll revenue of the Municipality

5 The scheme suggested by the Municipal Council is no doubt novel and peculiar to Anekal Town Kind reference is also invited to the points mentioned in the Inspection Notes of this Municipal Office conducted by me on 29-6 1942 In the circumstances stated I think that the proposal of the Municipal Council may be tried for one year in the first instance and the results watched the question of continuing the scheme further being reserved for later consideration The existing octroi establishment is also proposed to be continued for the collection of trade tax

6 I request that orders of Government may kindly be obtained in the matter of levy of trade tax at the rates mentioned in the enclosed schedule of the Rules framed by the Municipal Council and the abolition of the levy of octroi

Flag E

The connected records are enclosed for favour of reference

I have the honour to be

S i r

Your most obedient servant

A handwritten signature in dark ink, appearing to be 'S. K. Srinivas', written in a cursive style.

Deputy Commissioner
Bangalore District

A small, stylized handwritten mark or flourish, possibly a 'y' or a similar character, located below the typed name.

Serial
No*Extract from the inspection notes of Ankal
Toum Muply ~ ~ ~ ~ ~*
Octroi.

The Octroi establishment consists of 2 peons on R 0/- each. The Second Clerk is in charge of the Octroi collection. There is a rented kotl building. The income under this head is noted below. The Octroi Office is located in the kotl.

Names of Commodities	Income during		1941-42
	1935-40	1940-41	
1) Cocoanuts	334- 0- 3	320- 0- 5	242- 4- 0
2) Dry	2-15- 0	3-15- 0	3- 3- 0
3) Kerosine oil	246-10- 0	232- 0- 0	153-12- 0
4) Sheep and goats	104- 8- 7	160-10- 0	168- 6- 0
5) Chunam carts	3- 2- 0	19- 0- 0	14- 0- 0
6) Tobacco leaves	180- 8- 6	142- 4- 0	94- 6- 0
7) sticks		104-13- 6	100- 0- 0
8) Piece goods	285-13- 4	254- 4- 4	520- 2- 4
9) Beedies and Cigarettes	16-14- 0	10-15- 6	10-10- 0
Total	1,343-10- 8	1448- 5- 0	1,315-11-10

The collection during the month of June so far is 90-11-11. Adding this, the total octroi collection for the year will be 1,406-7-9 as against the budget estimate of 1600/-.

It is seen therefrom that the octroi income is going down in this Municipality and especially on cocoanuts, kerosine oil and tobacco. No octroi is levied on Betel leaves, sugar and jaggery even though proposals were ordered to be submitted for sanction by Govt. It is explained that the Municipal Council are not in favour of the levy of octroi as a whole and wants to substitute the same by the introduction of a new tax called "Trade Tax". This is said to improve the trade and increase the income of the Municipality. The corrected record is under correspondence.

The comparative income under octroi for the last 6 years is noted in the margin *

1935-36	1060-12-1
1936-37	1367- 6-3
1937-38	1262- 1-3
1938-39	1301- 6-3
1939-40	1343-10-0
1940-41	1443- 5-9
1941-42	1406- 7-9 (as directed above)

NOTE—Contn Sheet

Two smuggling cases have been detected during the year -- one in respect of coconuts and the other relating to Piece goods. Double the duty leviable (0-7-8) has been recovered in respect of the coconuts and the case compounded.

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No

As regards cloth, it is seen that the octroi staff detected 3 yards of cloth of different varieties without octroi seal in the shop one Phasal Jagappa alias Gundanna on 14-4-42. Ten times the duty leviable on the goods has been ordered to be recovered and the case compounded. But for the purposes of the assessment the value of the articles has been taken only on the 3 yds of cloth which amounts to Rs. 1-14-6 and octroi on the same comes to 6 paise (ten times is only 5 annas). The actual quantity imported by the said party should have been ascertained and octroi levied on the amount for the said quantity or prosecution proceedings taken up. Even now the President should conduct further enquiries in the matter. Certificate of the number of pages should be recorded on the last page of the Books under the signature of the President or the Vice-President.

The octroi collections are not remitted to the Treasury daily even though this is a Municipality situated at the Head Quarters of the Taluk. This is objectionable. The amounts are not brought under Petty Cash Book. (Vide note under the column - Petty Cash Book). The Amildar President should immediately arrange for daily remittances.

The Journal Book of the octroi is not maintained as per form No 29 prescribed under Rule 130 of A.M. Part II. The present form is merely a series of entries. The book should be opened in the prescribed form from 1-7-42. This should be checked by the President or the Vice-President at least once a week.

x

x

x

x

Section *Int*
File No *113-42*
Serial No *37*

Diary No of letter replied to

General and Revenue Secretariat

()
the 19

Date of issue

20/10/42

Signed by

M. L. R. Rao

List of enclosures

Copied by

Examined by

*is not covered
by the provisions of
Section 614
the Mysore
Mills Act 1933 and*

No

L 4208
Records

To

The D. C. Bangalore

Sir,

with reference to your
letter no MB-2213/41-42 d 11-7-42

requesting sanction to the

proposal of the Anekal Town

abolish
M. L. to ~~substitute~~ his

levy of Octroi duty at the place
instead

and to introduce
~~any~~ Trade Tax I am

directed to state that the

proposal in question does not

(therefore
recommend itself - to Govt -

The records accompanying
I have etc

for
for Secy to Govt -
Law Dept -